UNITED
NATIONS

E

Economic and Social Council

Distr.
LIMITED

E/C.10/1993/L.4
8 April 1993

ORIGINAL: ENGLISH

COMMISSION ON TRANSNATIONAL
CORPORATIONS
Nineteenth session
5-15 April 1993
Agenda item 6

INTERNATIONAL, REGIONAL AND BILATERAL ARRANGEMENTS AND AGREEMENTS RELATING TO TRANSNATIONAL CORPORATIONS

Australia*: draft resolution

Framework for foreign direct investment

The Commission on Transnational Corporations

1. Recognizes the central importance of transnational corporations in foreign direct investment, with its positive impact on world trade, technology transfer and the expansion of the global economy;

2. Takes note of the report of the President of the General Assembly at its forty-sixth session on a code of conduct on transnational corporations, 1/ which called for a fresh approach to the development of a legal framework for direct foreign investment, which could include the preparation of guidelines and/or any other international instrument on foreign investment;

3. Also takes note of the elaboration by the World Bank of voluntary Guidelines on the Treatment of Foreign Direct Investment, 2/ which have been drawn substantially from existing materials with the goal of promoting foreign direct investment;

1/ A/47/446, annex.

2/ World Bank, Legal Framework for the Treatment of Foreign Investment, vol. II, Guidelines (Washington, D.C., 1992).

4. Believes that the World Bank Guidelines are consistent with the report of the President of the General Assembly as a contribution to the emerging framework;

5. Notes that in the introductory remarks to the World Bank Guidelines recognition is given of the continuing need for provisions covering good conduct on the part of the foreign investor;

6. Believes that there is a need for the development of a guideline for global business to elaborate an international norm for ethical business behaviour;

7. Decides that the Division on Transnational Corporations and Management of the Secretariat should be requested to continue its research and documentation on the question.